

CASE NAME: Zpower Texas, LLC

ACCRUAL BASIS

CASE NUMBER: 20-41157

JUDGE: Edward L. Morris

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF TEXAS

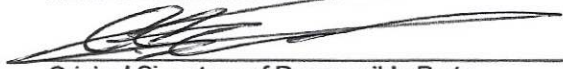
Fort Worth DIVISION

MONTHLY OPERATING REPORT

MONTH ENDING: September 30, 2020

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS - 1 THROUGH ACCRUAL BASIS - 7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:


Original Signature of Responsible Party

Glynne Townsend
Printed Name of Responsible Party

CEO, CRO
Title

10/20/2020
Date

PREPARER:


Original Signature of Preparer

Kelly McCullough
Printed Name of Preparer

Financial Advisors for the
Debtor-In-Possession
Title

10/20/2020
Date

CASE NAME: Zpower Texas, LLC

ACCRUAL BASIS - 1

CASE NUMBER: 20-41157

COMPARATIVE BALANCE SHEET		(SEE GENERAL FOOTNOTE)		
	SCHEDULED AMOUNT	MONTH Jul-20	MONTH Aug-20	MONTH Sep-20
ASSETS				
1. Unrestricted Cash				
2. Restricted Cash				
3. Total Cash				
4. Accounts Receivable (Net)	50,000	50,000	50,000	50,000
5. Inventory				
6. Notes Receivable				
7. Prepaid Expenses				
8. Other (Attach List)				
9. Total Current Assets	50,000	50,000	50,000	50,000
10. Property, Plant & Equipment				
11. Less: Accumulated Depreciation/Depletion				
12. Net Property, Plant & Equipment				
13. Due From Insiders				
14. Other Assets - Net of Amortization (Attach List)				
15. Other (Attach List)				
16. Total Assets	50,000	50,000	50,000	50,000
POST PETITION LIABILITIES				
17. Accounts Payable		650	650	650
18. Taxes Payable				
19. Notes Payable				
20. Professional Fees				
21. Secured Debt				
22. Other (Attach List)				
23. Total Post Petition Liabilities		650	650	650
PRE PETITION LIABILITIES				
24. Secured Debt	50,000	50,000	50,000	50,000
25. Priority Debt				
26. Unsecured Debt				
27. Other (Attach List)				
28. Total Pre Petition Liabilities	50,000	50,000	50,000	50,000
29. Total Liabilities	50,000	50,650	50,650	50,650
EQUITY				
30. Pre Petition Owners' Equity				
31. Post Petition Cumulative Profit Or (Loss)		(650)	(650)	(650)
32. Direct Charges To Equity				
33. Total Equity		(650)	(650)	(650)
34. Total Liabilities and Equity		50,000	50,000	50,000

This form ___ does ___ does not have related footnotes on Footnotes Supplement.

CASE NAME: Zpower Texas, LLC

ACCRUAL BASIS - 2

CASE NUMBER: 20-41157

INCOME STATEMENT				
	MONTH Jul-20	MONTH Aug-20	MONTH Sep-20	QUARTER TOTAL
REVENUES				
1. Gross Revenues				
2. Less: Returns & Discounts				
3. Net Revenue				
COST OF GOODS SOLD				
4. Material				
5. Direct Labor				
6. Direct Overhead				
7. Total Cost Of Goods Sold				
8. Gross Profit				
OPERATING EXPENSES				
9. Officer / Insider Compensation				
10. Selling & Marketing				
11. General & Administrative				
12. Rent & Lease				
13. Other (Attach List)				
14. Total Operating Expenses				
15. Income Before Non-Operating Income & Expense				
OTHER INCOME & EXPENSES				
16. Non-Operating Income (Att List)				
17. Non-Operating Expense (Att List)				
18. Interest Expense				
19. Depreciation / Depletion				
20. Amortization				
21. Other (Attach List)				
22. Net Other Income & (Expenses)				
REORGANIZATION EXPENSES				
23. Professional Fees				
24. U.S. Trustee Fees				
25. Other (Attach List)				
26. Total Reorganization Expenses				
27. Income Tax				
28. Net Profit (Loss)				

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CASE NAME: Zpower Texas, LLC

ACCRUAL BASIS - 3

CASE NUMBER: 20-41157

CASH RECEIPTS AND DISBURSEMENTS	MONTH Jul-20	MONTH Aug-20	MONTH Sep-20	QUARTER TOTAL
1. Cash - Beginning Of Month				
RECEIPTS FROM OPERATIONS				
2. Cash Sales				
COLLECTION OF ACCOUNTS RECEIVABLE				
3. Pre Petition				
4. Post Petition				
5. Total Operating Receipts				
NON-OPERATING RECEIPTS				
6. Loans & Advances (Attach List)				
7. Sale of Assets				
8. Other (Attach List)				
9. Total Non-Operating Receipts				
10. Total Receipts				
11. Total Cash Available				
OPERATING DISBURSEMENTS				
12. Net Payroll				
13. Payroll Taxes Paid				
14. Sales, Use & Other Taxes Paid				
15. Secured / Rental / Leases				
16. Utilities				
17. Insurance				
18. Inventory Purchases				
19. Vehicle Expenses				
20. Travel				
21. Entertainment				
22. Repairs & Maintenance				
23. Supplies				
24. Advertising				
25. Other (Attach List)				
26. Total Operating Disbursements				
REORGANIZATION DISBURSEMENTS				
27. Professional Fees				
28. U.S. Trustee Fees				
29. Other (Attach List)				
30. Total Reorganization Expenses				
31. Total Disbursements				
32. Net Cash Flow				
33. Cash - End of Month	-			

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CASE NAME: Zpower Texas, LLC

ACCRUAL BASIS - 4

CASE NUMBER: 20-41157

(SEE GENERAL FOOTNOTE)

ACCOUNTS RECEIVABLE AGING	SCHEDULED AMOUNT	MONTH Jul-20	MONTH Aug-20	MONTH Sep-20
1. 0 - 30				
2. 31 - 60	50,000			
3. 61 - 90				
4. 91 +		50,000	50,000	50,000
5. Total Accounts Receivable	50,000	50,000	50,000	50,000
6. (Amount Considered Uncollectible)				
7. Accounts Receivable (Net)	50,000	50,000	50,000	50,000

MONTH: September-20

AGING OF POST PETITION TAXES AND PAYABLES					
TAXES PAYABLE	0 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 + DAYS	TOTAL
1. Federal					
2. State					
3. Local					
4. Other (Attach List)					
5. Total Taxes Payable					
6. Accounts Payable			325	325	650

MONTH: September-20

STATUS OF POST PETITION TAXES				
FEDERAL	BEGINNING TAX LIABILITY *	AMOUNT WITHHELD AND/OR ACCRUED	(AMOUNT PAID)	ENDING TAX LIABILITY
1. Withholding **				
2. FICA - Employee **				
3. FICA - Employer **				
4. Unemployment				
5. Other - Income Tax				
6. Other- Earned Income Credit				
7. Total Federal Taxes				
STATE AND LOCAL				
8. Withholding				
9. Sales				
10. Excise				
11. Unemployment				
12. Real Property				
13. Personal Property				
14. Other (Attach List)				
15. Total State And Local				
16. Total Taxes				

* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.

** Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment of deposit.

This form ___ does ___ does not have related footnotes on Footnotes Supplement.

CASE NAME: Zpower Texas, LLC

ACCRUAL BASIS - 5

CASE NUMBER: 20-41157

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

MONTH: September-20	
BANK RECONCILIATIONS	Account # 1 Account # 2 Account # 3 Other Accounts
A. BANK:	(Attach List)
B. ACCOUNT NUMBER:	TOTAL
C. PURPOSE (TYPE):	
1. Balance Per Bank Statement	
2. Add: Total Deposits Not Credited	
3. Subtract: Outstanding Checks	
4. Other Reconciling Items	
5. Month End Balance Per Books	- - -
6. Number of Last Check Written	
INVESTMENT ACCOUNTS	
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE TYPE OF INSTRUMENT PURCHASE PRICE CURRENT VALUE
7.	
8.	
9.	
10. (Attach List)	
11. Total Investments	
CASH	
12. Currency On Hand	
13. Total Cash - End of Month	

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CASE NAME: Zpower Texas, LLC

ACCRUAL BASIS - 6

CASE NUMBER: 20-41157MONTH: September-20**PAYMENTS TO INSIDERS AND PROFESSIONALS**

Of the Total Disbursements shown for the month, list the amount paid to Insiders (as defined in Section 101 (31) (A) - (F) of the U.S. Bankruptcy Code) and to Professionals. Also, for payments to Insiders, identify the type of compensation paid (e.g. salary, bonus, commissions, insurance, housing allowance, travel, car allowance, etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8. (Attach List)			
9. Total Payments To Insiders			

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID *
1. Munsch Hardt Kopf & Harr, PC					
2. Lain Faulkner & Co., P.C.					
3.					
4.					
5.					
6.					
7. (Attach List)					
8. Total Payments To Professionals					

* Include all fees incurred, both approved and unapproved

POST PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS			
NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST PETITION
1.	\$ -	\$ -	\$ -
2.			
3.			
5. (Attach List)			
6. TOTAL		\$ -	\$ -

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CASE NAME: Zpower Texas, LLC**ACCRUAL BASIS - 7****CASE NUMBER:** 20-41157**MONTH:** September-20**QUESTIONNAIRE**

	YES	NO
1. Have any Assets been sold or transferred outside the normal course of business this reporting period?		X
2. Have any funds been disbursed from any account other than a debtor in possession account?		X
3. Are any Post Petition Receivables (accounts, notes, or loans) due from related parties?		X
4. Have any payments been made on Pre Petition Liabilities this reporting period?		X
5. Have any Post Petition Loans been received by the debtor from any party?		X
6. Are any Post Petition Payroll Taxes past due?		X
7. Are any Post Petition State or Federal Income Taxes past due?		X
8. Are any Post Petition Real Estate Taxes past due?		X
9. Are any other Post Petition Taxes past due?		X
10. Are any amounts owed to Post Petition creditors delinquent?		X
11. Have any Pre Petition Taxes been paid during the reporting period?		X
12. Are any wage payments past due?		X

If the answer to any of the above questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.

INSURANCE

	YES	NO
1. Are Worker's Compensation, General Liability and other necessary insurance coverages in effect?		N/A
2. Are all premium payments paid current?		N/A
3. Please itemize policies below.		N/A

If the answer to any of the above questions is "No", or if any policies have been canceled or not renewed during this reporting period, provide an explanation below. Attach additional sheets if necessary.

INSTALLMENT PAYMENTS

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY

This form X does does not have related footnotes on Footnotes Supplement.

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